



State of California • Department of General Services • Gray Davis,  
Governor

## OFFICE OF PUBLIC SCHOOL CONSTRUCTION

I n t e r a g e n c y   S u p p o r t   D i v i s i o n

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Date: July 1, 1999

Mass Mailer #99-12

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND  
OTHER ISSUES**

On June 23, 1999, the State Allocation Board (SAB) apportioned \$5.1 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$45.5 million for School Facility Program (SFP) new construction projects, \$171.9 million for SFP modernization projects and \$1 million for Deferred Maintenance Program Critical Hardship projects. The above numbers included requests for financial hardship. The SAB addressed other issues as follows:

### Consent Calendar

The cost index under the LPP for the Historical Savings Index decreased from 6.19 to 5.92, effective May 1, 1999. The LPP Construction Cost Indices for Class B, Class D, and Furniture/Equipment remain unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases. Districts that received a Phase C apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. For specific information regarding time limits for LPP projects, please contact Don Hartin at dhartin@dgs.ca.gov or (916) 445-0529.

The SAB approved 390 applications for eligibility and 87 funding grant applications for new construction and modernization projects for the SFP. The SAB also made "unfunded" approvals for non-grandfathered modernization projects in the amount of \$26.2 million. Districts that received a funding approval under the SFP are required to submit the *Fund Release Authorization* (Form SAB 50-05) within 18 months, otherwise, the apportionment will be rescinded. The SAB 50-05 is used by the district to certify the available district matching share and that the district has entered into a binding contract for at least 50 percent of the construction cost of the buildings in the plans and specifications. Funds will be released to the district upon receipt of a completed Form SAB 50-05 to the Office of Public School Construction (OPSC). For specific information regarding time limits for SFP projects, please contact Carolyn Harmon at charmon@dgs.ca.gov or (916) 322-0315.

### Status of Funds

There is approximately \$28.5 million remaining in prior bond funds in the LPP to address ongoing project costs, bid approvals and the Northridge Earthquake Program. The balance available from Proposition 1A funds, excluding Class Size Reduction funds, is approximately \$1 billion.

### Previous Apportionments in the Lease-Purchase Program

The SAB directed the OPSC to notify districts that received a LPP project apportionment prior to 1998, which has not had the funds released to the district, to submit the documentation necessary for a fund release or provide evidence that circumstances are beyond their control by August 1, 1999. Otherwise, the apportionment is subject to rescission. The OPSC is advising these districts of the necessary documentation required in order to release the funds. For specific information regarding your district, please contact Don Hartin at dhartin@dgs.ca.gov or (916) 445-0529.

### Time Limit on Joint Use Construction Projects

The SAB approved an amendment to the Time Limits on Construction Apportionment Policy for Joint Use Projects to include provisions for a six-month time extension for those projects where the plans have been completed and are awaiting the Division of State Architect's (DSA) approval or the project is currently out to bid. The SAB also provided up to a 12-month extension when the district can demonstrate special circumstances acceptable to the SAB.

### Modernization Funding Status

The SAB accepted a staff report on the remaining Proposition 1A funds available for apportionment for modernization projects. At a previous meeting, the SAB directed that grandfathered modernization projects would receive priority for the remaining modernization funds if the district had submitted the necessary documentation to the OPSC to proceed with that project no later than July 5, 1999. If your district has a LPP project which meets the grandfathering provisions and proposes to fund the project with the remaining modernization funds, please submit the necessary documentation to the OPSC no later than July 5, 1999. Should you have questions regarding the above, please contact your Project Manager.

### Class Size Reduction (CSR) Funding

The SAB transferred approximately \$60 million to the California Department of Education (CDE) for apportionment to districts for CSR facilities as provided by Proposition 1A. The CDE anticipates that the funds will be available to the district in August. For specific information regarding this funding, please contact Fred Yeager with the CDE at (916) 327-7148.

### Implementation of Senate Bill (SB) 2045

The SAB amended its Policy that allows certain districts priority one (i.e. 50/50) funding status of its project(s) even if the district could not provide its 50 percent share of the project. The Policy was amended as a result of SB 2045 as follows:

- Bonds generated as a result of the Mello-Roos Community Facilities Act of 1982 is now included within the definition of bonded indebtedness for purposes of calculating the 95 percent.
- For districts with an average daily attendance (ADA) over 2,500, the district is required to contribute developer fees in excess of that needed for reasonable costs of interim housing for capital outlay modernization and new construction projects and administration and transportation capital outlay projects.
- If the district's ADA is under 2,501, the district does not have to contribute developer fees toward the project.

Should you have questions regarding this policy, please contact Carolyn Harmon at [charmon@dgs.ca.gov](mailto:charmon@dgs.ca.gov) or (916) 322-0315.

#### New Construction Commensurate Requirement

The SAB adopted an amendment to the SFP Regulations requiring districts to demonstrate, at the time an application for funding is submitted, that the proposed construction work in the project is commensurate with the combined State and local matching share for the project. As a result, all requests for new construction funding must include a cost estimate certified by the architect of record for the project or other design professional of the estimated work in the plans & specifications and any deferred items of construction that is at least 60 percent of the combined state and local matching share for the project. Further, the SAB directed the OPSC to file this amendment with the Office of Administrative Law as an emergency regulation. Should you have questions regarding this requirement, please contact your Project Manager.

#### Other Issues

The OPSC has received numerous inquiries regarding the time limits established under the SFP. Districts are advised that there are no provisions under the SFP for time extensions, as the time limit is established in law. Districts that have numerous projects that receive funding at the same time should be careful to observe the time limit criteria.

Please be advised that the OPSC will no longer accept an application for eligibility and/or funding unless it contains all the necessary documentation as outlined on the OPSC Internet site, School Facility Program Application Submittal section. Please note that this includes the California Department of Education approval Form 4.09 for the plans and site for a project request funding. If this documentation is not included with the district's request, the application package will be returned, without processing, to the district.

Copies of the applicable SAB actions can be found on the OPSC Internet site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

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